

**OPERATING PROCEDURES
EMPLOYEE SUGGESTION AWARD PROGRAM
STATE OF TENNESSEE**

Section 1. *Scope and Purpose*

These guidelines set forth the operating procedures for administering the Employee Suggestion Award Program. The program provides for cash or honorary awards for State employees who submit ideas that will reduce the cost or improve the quality of service of State government.

Section 2. *Policy*

- A. The Employee Suggestion Award Board shall recognize employees who propose procedures or ideas which, when put into practice, result in savings or improvements in State operations.
- B. Each agency head shall encourage eligible employees to participate in the Employee Suggestion Award Program.
- C. The Employee Suggestion Award Board, composed of the Commissioner of Finance and Administration, the Commissioner of Personnel, the Commissioner of General Services, the Executive Director of the Fiscal Review Committee, and one member appointed by the Tennessee State Employees Association, shall administer and promote the Program on a statewide basis. The Board shall approve each cash or honorary award made to State employees pursuant to the provisions of TCA 4-27-101 et seq.
- D. The Employee Suggestion Award Program administrator shall:
 - 1. Receive the suggestions at the Department of Personnel, 1st Floor, James K. Polk Building, 505 Deaderick Street, Nashville, Tennessee 37243-0635.
 - 2. Acknowledge the hour and date of receipt of suggestions and keep suggestors informed of the status of their suggestions throughout the evaluation process. If duplicate suggestions are received, the one bearing the earliest hour and date of receipt shall be eligible for consideration and all others shall be ineligible.
 - 3. Determine the eligibility of each suggestion.
 - 4. Review each suggestion to determine if it is a duplicate of, or similar to, a suggestion which has previously been submitted or adopted.
 - 5. Refer each eligible suggestion to appropriate agencies for investigation and evaluation.
 - 6. Maintain the following records:
 - Copies of official actions and minutes of the meetings of the Review Panel and Board.

- All suggestions received with supporting documents for a three-year period.
- Cross reference files on original suggestions by name of suggestor and subject of suggestion.

Section 3. Eligibility

A. Employee Eligibility: All employees of State government, except elected and appointed officials, are eligible to submit suggestions for cash awards under this program provided they do not fall in any of the following categories:

1. The four levels of management which are prevented from receiving cash awards, as defined by TCA 4-27-104 are as follows:
 - a. Level I: Governor's staff, department commissioner or equivalent;
 - b. Level II: Assistant or deputy commissioner, assistant to the commissioner, major fiscal and administrative policy departmental staff or equivalent;
 - c. Level III: Director or division chief including the full line division chief to a statewide program. Includes chief of division supervising several line service units or equivalent;
 - d. Level IV: Assistant to director or division chief, section chief or head of major departmental function or equivalent.

These employees listed above, although ineligible for a monetary award by the provisions of this section, will be eligible for an honorary award at the discretion of the Board.

2. Former State employees, unless retired from the State.
3. Persons who are dismissed from State service for cause.
4. Commissioned and non-commissioned officers and enlisted personnel in the National Guard, and Federal employees under the jurisdiction of the Adjutant General.
5. Members of State Boards and Commissions.
6. Employees or groups of employees who are assigned a particular problem to solve are not eligible for an award if the suggestion falls within the scope of the assignment.
7. Suggestions made by employees or groups of employees that fall within the scope of their individual duties and responsibilities are eligible for award provided the suggestion is extraordinary and is not typically expected of that employee in the normal course of his or her job.
8. Employees whose duties primarily concern administrative planning, evaluation and research, or whose duties include the making of suggestions, or who are expected as a part of their job to produce ideas for improvement and act upon them, may receive an award only if the suggestion is clearly not part of the employee's normal duties or responsibilities. The Board may consider

extraordinary circumstances, those where employees go far beyond what is reasonably expected in their job assignments.

B. Suggestion Eligibility Criteria: All suggestions are eligible for award consideration except proposals to make a change which is under active consideration by those responsible, and suggestions which fail to present a positive, constructive concept for improvement. Ineligible suggestions include, but are not limited to:

1. Those which involve personal grievances.
2. Those that recommend increased taxes or license fees.
3. Those which recommend a change to the State Classification-Compensation Plan.
4. Those which recommend a “study,” “survey,” or “review” with the course of action to be taken in accordance with the findings.
5. Those which do not propose a method or way to make the improvement.
6. Those which correct a condition that exists only because established procedure or policy is not being followed, except when correcting an oversight results in saving substantial money or in significant improvement in the efficiency of an operation.
7. Those which correct a temporary problem, one that management can document is in the process of being corrected.
8. Those which are the result of assigned or contracted audits, studies, surveys, reviews, or research.
9. Those which, if adopted, will not:
 - a) Improve methods or procedures;
 - b) Eliminate “bottlenecks” or duplication of work;
 - c) Reduce costs, waste, errors;
 - d) Increase production, efficiency, service; or
 - e) Save lives, time, money.
10. Those which involve forms will be eligible for consideration only if the suggestion reduced the total number of forms required (including the number of the same form used), and if such reduction does not conflict with established regulations.
11. Those which recommend a change in agency missions, program goals, or organizational objectives.
12. Those which save money for one governmental agency at the expense of another agency of the State of Tennessee or of its political subdivisions.
13. Those for which the cost of implementation exceeds the estimated savings, unless the quality or effectiveness of the solution is considered great enough to offset or justify the cost.

14. Suggestions involving the acquisition of funding from grants may be considered for award when:
 - a) Eligibility for the award is not based on the replacement of State dollars by grant funds, but on the reduction of overall expenditures as a result of implementing a grant project;
 - b) The grant is pursued outside established procedures used in the Department of Finance and Administration for soliciting funds; and
 - c) It meets all other eligibility criteria.
15. Those which recommend a change within a department that can be documented as already being a written directive by management, except when implementation occurs as a result of the suggestion and no department-wide directive is in place.

Section 4. Group Suggestions

The amount of an award for a suggestion made by a group of employees shall be determined on the same basis as if the suggestion had been submitted by one employee, and the amount awarded shall be divided equally among those employees making the suggestion. Members of the group shall be identified by name at the time the suggestion is submitted.

Section 5. Time Limit on Award Consideration

- A. An employee's rights to an award shall be based on employment status at the time the suggestion is submitted and shall be protected if:
 1. The suggestion is adopted and/or implemented within two years from the date of receipt even though the employee may have separated from State government, unless dismissed for cause. The Employee Suggestion Award Board must be notified the suggestion was implemented.
 2. An agency implements the suggestion within two years of the date of the original notification of non-adoption even though the employee may be separated from State government in good standing at the time of implementation. A declined suggestion will retain priority over all suggestions on the same subject received within two years from the date of declining the first suggestion. The Employee Suggestion Award Board must be notified the suggestion was implemented.
- B. Suggestions denied for award by the Board may be resubmitted once within a one-year period if accompanied by substantial additional information that would add merit to the suggestion. If resubmission results in a second denial, the suggestion shall be deemed permanently denied and may not be resubmitted.

Suggestions that are not resubmitted shall be deemed permanently denied after the passage of one year and will not be reconsidered by the Board.
- C. In the case of a deceased employee, the award shall be paid to the employee's estate.
- D. Ideas already adopted and/or implemented by management, as a result of the employee's suggestion must be filed with the Employee Suggestion Award Program no later than nine months from initial acceptance.

Section 6. *Payment of Awards*

The maximum cash award for approved suggestions after March 4, 2004 shall be limited to ten (10%) percent of the first year's estimated net savings, or \$10,000, whichever is less. Suggestions recommended for a cash award that have a first year's estimated savings of less than \$250 will be awarded \$25. The Employee Suggestion Award Board may, however, increase the maximum amount of the award for suggestions which result in extraordinary amounts of savings.

Any cash awards approved by the Board shall be charged against the appropriation item or items to which estimated savings apply.